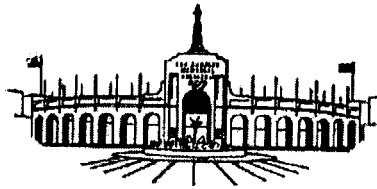


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BOXING COMPETITION*

LOS ANGELES MEMORIAL COLISEUM COMMISSION

COLISEUM, 3911 S. FIGUEROA ST. • (213) 747-7111 • SPORTS ARENA, 3939 S. FIGUEROA ST. • (213) 747-7111
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TOM LABONGE
JOHNATHAN WILLIAMS
ALTERNATES

September 8, 2011

Dr. Max Nikias
President, University of Southern California
Bovard Hall
Los Angeles, CA 90089

Dear President Nikias:

At its meeting of September 7, 2011, the Los Angeles Memorial Coliseum Commission unanimously voted to authorize this letter regarding Section 13.5(b) of the USC-Coliseum lease of May 14, 2008. That section pertains to the submittal by the Coliseum Commission to USC of evidence reasonably satisfactory to USC of the Coliseum having sources of financing sufficient to complete the various capital projects referenced in Section 13.1(c)-(f) of the lease by the dates prescribed in the lease.

Approximately \$10 million of Coliseum Commission resources have been invested in the past three years in various capital projects at the Coliseum, including the videoboard which was completed last week. However, in view of changed macroeconomic conditions and in view of the Commission's evaluation of its own financial revenue and net income projections for the foreseeable future, the Commission now believes that a different approach is required to achieve the capital projects that are needed to be implemented during the Coliseum's upcoming centennial decade.

The Commission proposes that USC designate two representatives to meet with Commission Vice President Don Knabe and myself during a 75-day period, commencing as soon as possible but not later than October 6, 2011 and ending not later than Monday, December 19, 2011 (or sooner if the 75-day period commences prior to October 6). This group would

engage in discussions regarding at least the framework of a possible different management approach to the Coliseum and Sports Arena for a period beginning not later than June 30, 2012 through the scheduled 2054 expiration of the existing leases with the State of California. Legal counsel from the firm of Munger, Tolles and Olson, as well as interim General Manager John Sandbrook, would also participate in our discussions.

The first Coliseum Commission meeting in 2012 is scheduled for Wednesday, January 11, which also will be the last full meeting over which I will preside as Commission President. Thus, my hope would be that, if USC concurs to such a process for discussions in Fall 2011, I would be able to present the basic recommendations – the “term sheet” -- from such a joint process to the Coliseum Commission not later than the January 11 meeting (and possibly sooner, at the meeting of December 7, 2011). If the term sheet were to be approved by the Commission, then the development and execution of the formal legal document would then follow not later than early 2012.

We are sure you can appreciate that, during the period of these and any other discussions the Commission has about the future of the Coliseum and Sports Arena, the Commission will be mindful of its obligation to ensure that the decisions to be made about the Coliseum and the Sports Arena are in full consideration of the public interest, as required in the two State leases (Coliseum lease-Article 2; Sports Arena lease-Article 3). Such discussions may also include our solicitation of the views from the governing bodies or officers of the State of California, the County of Los Angeles, and the City of Los Angeles on this matter, as well as from the general public.

My colleagues and I recognize that in 2007 USC presented to the Commission an outline of the basic components of a particular lease arrangement along with a proposal to invest \$100 million over a ten year period in capital renewal and improvement projects at the Coliseum. The Commission declined to consider that specific USC proposal at that time.

With the wisdom gained in the ensuing four years, we believe that at least the following general categories would need to be addressed during the discussions that we propose now in 2011 regarding modifications to the existing lease: (a) the description of the physical assets to be included in a modified lease; (b) the financial obligations related thereto, including the obligations to the State of California for the lease of the property related to the Coliseum and Sports Arena as well as operating costs of the building(s); (c) event scheduling/event management parameters as well as event approval protocols; (d) a financial and time-specific commitment to the capital improvement projects in the Commission’s “Centennial Capital Program Report” as well as the ongoing maintenance annual budget requirements at the Coliseum, fully recognizing the Coliseum’s status as a National Historical Landmark and as a memorial to all U.S. military veterans; (e) the potential future use(s) of the Sports Arena and its underlying property in the context of the Final EIR that was adopted by the Coliseum Commission in February 2011; (f) sponsorship and advertising issues; (g) food and beverage operations; and (h) appropriate employment considerations for the current Coliseum/Sports Arena staff for a reasonable transitional period following the effective date of any modifications about which we might reach agreement.

September 8, 2011
President Max Nikias

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Commissioner Knabe and I will have specific details about each of these categories for our discussions; likewise, we anticipate that you may wish to add to the above list of categories and would welcome any suggestions you might have.

The Commission's offer to initiate such discussions with USC includes an expectation on our part that USC's response would also include an agreement not to initiate any action under Section 13.5(c) while such discussions are in progress.

The next meeting of the Coliseum Commission is scheduled for October 5, 2011. It would be greatly appreciated if a response to this letter could be forthcoming by that date. We are prepared to begin the 75-day clock sooner than October 5, if USC wishes to do so.

Sincerely,



David Israel
President
Los Angeles Memorial Coliseum Commission

cc: Members, Los Angeles Memorial Coliseum Commission
Mr. John Sandbrook
Mr. Donovan Main
Mr. Thomas Faughnan
Ms. Noreen Vincent
Mr. Richard Volpert
Mr. Jeffrey Heintz
Mr. Ed Roski
Mr. Todd Dickey
Ms. Kristina Raspe
Mr. Pat Haden



September 14, 2011

Via U.S. Mail and E-Mail

Senior Vice President
Administration

Mr. David Israel
President
Los Angeles Memorial Coliseum Commission
3911 S. Figueroa Street
Los Angeles, CA 90037

Dear David:

Thank you for your letter of September 8, 2011, to President C. L. Max Nikias. As the Senior Vice President for Administration, I am responsible for overseeing all of the university's real estate transactions. As such, President Nikias forwarded your letter to me for response.

We were very pleased to receive your letter and to learn that the Los Angeles Memorial Coliseum Commission voted unanimously to engage in discussions with the university regarding a different management approach to the Coliseum and Sports Arena. It is our hope that through these discussions we can structure a new arrangement that ensures the Coliseum can be restored to its former glory and appropriately maintained for many years to come. Since this effort will benefit all Angelenos, we are eager to begin these discussions with you as soon as possible.

The university will be represented in these discussions by me, Kristina Raspe, Vice President for Real Estate Development and Asset Management, and our legal counsel, Carol Dillon of Bingham McCutchen LLP. I will ask Ms. Raspe to work with Mr. Sandbrook to schedule our first meeting for the earliest possible date.

We are committed to moving these discussions forward as quickly as possible; however, while our discussions are proceeding, the university must reserve its right to ensure the Commission's performance under the existing lease agreement. One of the university's key remedies in that agreement is the ability to use the university's own capital to improve the venue in the event that the Commission is unable to fund improvements. It is to everyone's benefit that the university not waive that right, or any other rights in the current lease, even during the course of our discussions. Accordingly, during our discussions, the university reserves all

Mr. David Israel
September 14, 2011
Page 2

rights and remedies in the current lease, and our discussions shall not constitute a waiver of or otherwise toll any of the Commission's obligations thereunder.

Again, thank you for the opportunity to work with you and your fellow Commissioners to ensure the future of the Coliseum for generations to come. We look forward to proceeding with these discussions immediately.

Sincerely,

A handwritten signature in black ink that reads "Todd Dickey". The signature is fluid and cursive, with the first name "Todd" and last name "Dickey" clearly legible.

Todd R. Dickey
Senior Vice President, Administration

cc: C. L. Max Nikias
Kristina Raspe
Tom Sayles
Pat Haden
John Sandbrook
Carol Dillon